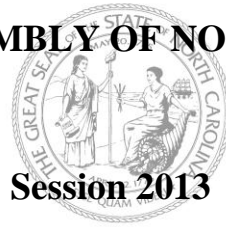


GENERAL ASSEMBLY OF NORTH CAROLINA



FISCAL ANALYSIS MEMORANDUM

[This confidential fiscal memorandum is a fiscal analysis of a draft bill, amendment, committee substitute, or conference committee report that has not been formally introduced or adopted on the chamber floor or in committee. This is not an official fiscal note. If upon introduction of the bill you determine that a formal fiscal note is needed, please make a fiscal note request to the Fiscal Research Division, and one will be provided under the rules of the House and the Senate.]

DATE: February 11, 2014

TO: Representative Howard and Senators Rucho and Rabon

FROM: Rodney Bizzell
Fiscal Research Division

RE: Require Tax Compliance for ABC Permit

FISCAL IMPACT

(\$ in millions)

☒ Yes

☐ No

☐ No Estimate Available

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
State Impact					
General Fund Revenues:			2.5	2.5	2.5
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	\$0.0	\$0.0	\$2.5	\$2.5	\$2.5

Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Dept. of Revenue; ABC Commission

EFFECTIVE DATE: May 1, 2015

TECHNICAL CONSIDERATIONS:

None

BILL SUMMARY:

The bill draft would require filing all State tax returns and paying all State taxes to receive and hold an ABC permit.

ASSUMPTIONS AND METHODOLOGY:

The bill draft provides the Department of Revenue an additional collection tool for taxpayers applying for or renewing an ABC permit. Taxpayers will be required to pay all taxes due prior to receiving the license. Based on current ABC registrations and tax liabilities of registrants, the Department of Revenue estimates that the legislation will result in an additional \$2.5 million in collections annually. The initial fiscal impact is expected in FY 2015-16.

SOURCES OF DATA: NC Dept. of Revenue

TECHNICAL CONSIDERATIONS: None